

**Project Name:** NNA/DMC Cost Settlement

**OCIO Project #:**

**Department:** Alcohol and Drug Programs

**Revision Date:** 9/14/10

## Concept Statement

### Description

**Brief description of the proposed project:**

Establish a single electronic platform for the Net Negotiated Amount and Drug Medi-Cal Program (NNA/DMC) annual cost report and cost settlement process and to streamline and fully automate this current manual process.

### Need Statement

**High Level Functional Requirements:**

Fully automate the cost report and cost settlement process. Have a single automated platform for preparing cost reports and cost settlements. Significantly reduce the time period to prepare cost reports and cost settlements.

**What is Driving This Need?**

The cost report and cost settlement processes are inefficient and time consuming due to manual processes. There is no single automated platform to complete the work.

**Risk to the Organization if This Work is Not Done:**

Cost reports and cost settlements are not completed in a timely manner.

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Project Name: NNA/DMC Cost Settlement

OCIO Project #:

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Revision Date: 9/14/10

# Concept Statement

## Benefit Statement

### Intangible Benefits

**Process Improvements** (describe the nature of the process improvement):

Manual processes will be eliminated. Completion time for cost reports and cost settlements will be reduced. Increased efficiency in completing cost reports and cost settlements.

**Other Intangible Benefits:**

### Tangible Benefits

**Revenue Generation** (describe how revenue will be generated):

No revenue generated from this project.

**Cost Savings** (describe how cost will be reduced):

No cost savings are expected with this project.

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**Project Name:** NNA/DMC Cost Settlement

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**Revision Date:** 9/14/10

## Concept Statement

**Cost Avoidance** (describe the cost and how avoided):

Potential costs for additional staff resources may be avoided.


**Risk Avoidance** (describe the risk and how avoided):

No risks are avoided.

**Improved Services:**

ADP service delivery providers will have their cost reports and settlements completed faster. The ADP will be able to recover excess payments from providers and pay reimbursement for underpayments to providers more efficiently and faster.

### Consistency

"No" Responses 		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

### Impact to Other Entities

#### Nature of Impact to Other Entities

**Entity:**

*Describe the nature of the impact:*

No impact to other State agencies.

Project Name: NNA/DMC Cost Settlement

OCIO Project #:

Department: Alcohol and Drug Programs

Revision Date: 9/14/10

## Concept Statement

**Entity:**

*Describe the nature of the impact:*

ADP service providers will receive payments faster for under reimbursement of services rendered to treatment clients.

**Entity:**

*Describe the nature of the impact:*

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OCIO Project #:

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Revision Date: 9/14/10

## Concept Statement

### Solution Alternatives

#### Alternative 1:

Do nothing.

#### Technical Considerations for Alternative 1:

None.

ROM Cost: to

Note: high end of range must not exceed 200% of low end of range

#### Alternative 2:

Automate and streamline cost report and cost settlement process.

#### Technical Considerations for Alternative 2:

Use a web based system to complete processing of cost reports and cost settlements.  
Must be able to work within existing Department enterprise architecture.

ROM Cost: \$100,000 to \$354,000

Note: high end of range must not exceed 200% of low end of range

#### Alternative 3:

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Project Name: NNA/DMC Cost Settlement

OCIO Project #:

Department: Alcohol and Drug Programs

Revision Date: 9/14/10

## Concept Statement

### Technical Considerations for Alternative 3:

ROM Cost: to

Note: high end of range must not exceed 200% of low end of range

### Recommendation

#### Comparison:

Alternative 1	ROM Cost			Risk
	\$0	-	\$0	
Alternative 2	ROM Cost			Risk
	\$100,000	-	\$354,000	<i>Little to no risk associated with this alternative.</i>
Alternative 3	ROM Cost			Risk
	\$0	-	\$0	

#### Conclusions:

1	
2	This alternative provides a significant business process improvement, and may reduce the need for additional future staff resources to complete this
3	
4	

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## Concept Statement

### Recommendation:

Implement Alternative 2.

### Project Approach (if known)

<b>System Complexity:</b>			System Business Hours: (e.g., 24x7, 9am-5pm) :		24x7
Architecture	<input type="checkbox"/> Mainframe	<input type="checkbox"/> Client Server	<input checked="" type="checkbox"/> Web Based		Num. of New Databases:
Technology	<input type="checkbox"/> New	<input type="checkbox"/> New to Staff	<input checked="" type="checkbox"/> In-House Experience		Interfaces:
Implementation	<input checked="" type="checkbox"/> Central Site	<input type="checkbox"/> Phased Roll-out			Num. of Sites:
M & O Support	<input type="checkbox"/> Contractor	<input type="checkbox"/> Data Center	<input type="checkbox"/> Project	<input checked="" type="checkbox"/> In House	
Procurement Approach: No procurement expected for this project.					Number of Procurements:
Open Procurement?		Delegated Procurement?			
Scope of Contract	<input type="checkbox"/> Development <input type="checkbox"/> Implementation <input type="checkbox"/> M & O <input type="checkbox"/> Other:				
Anticipated Length of Contract:		Years /      extensions for      years			